

Exporter Eligibility  
§1493.220

a. ACME Processing Equipment Supplies a incorporation and registered with the state of Virginia.  
***(Attach articles of incorporation and registration with State)***

b. Has an established place of business in the United States:

ACME Processing Equipment Supply, Inc  
62253 West Cory Street  
Richmond, VA 98765

c. Has a registered agent for service of process in the United States; and:

Perry Mason, Esq.  
One Park Place  
17<sup>th</sup> Street, N.W., Suite 200  
Washington, DC 20056

d. Is not suspended or debarred, or owned or controlled by a person who is suspended or debarred, from contracting with, or participating in programs administered by, a U.S. Government agency:

***"I certify to the best of my knowledge and belief, that neither the above named applicant nor any of its principals has been debarred, suspended, or proposed for debarment from contracting with or participating in any programs administered by a U.S. Government agency. ("Principals," for the purpose of this certification, means officers; directors; owners of five percent of stock or more; partners; and persons having primary management or supervisory responsibility within a business entity (e.g., General manager, plant manager, head of a subsidiary, division, or business segment, and similar positions).) I further certify that should such debarment, suspension, or notice of proposed debarment occur in the future, the above named applicant will immediately notify CCC."***

***Lynda C. Colwell***  
***Signature***  
***(Principal of Company)***

EXAMPLE COPY

*§1493.240(a)*

**APPLICATION**

**for a**

**FACILITY PAYMENT**

**GUARANTEE**

**PRELIMINARY COMMITMENT**

## **FACILITY GUARANTEE PROGRAM**

(2) **Program Announcement Number:** PRXXXX-2001

*(To obtain announcement number go to internet site*

*[http://www.fas.usda.gov/scripts/PressRelease/pressrel\\_frm.idc](http://www.fas.usda.gov/scripts/PressRelease/pressrel_frm.idc))*

(3) **Emerging Market:** *Lower Volta*

(4) **Name and Address of Exporter:**

(i) ACME Processing Equipment Supply, Inc.

Lynda C. Colwell

Vice President

62253 West Cory Street

Richmond, VA 98765

Tel: (123) 555-5151

Fax: (123) 555-5000

E-Mail: [Colwell@acme.com](mailto:Colwell@acme.com)

(ii) **Exporter's Registered Agent:** None

*(There could be an agent for the exporter that has offices in the emerging market or region and has a contractual relationship with the exporter to serve as their agent for the sale/project and in doing so, is paid a fee or commission by the exporter.)*

(iii) **Exporter's Assignee:** ABC Bank *(See vii below)*

(iv) **Importer:**

Lower Volta Processing, LTD

Mr. DiDominici

92753 Venable Lane

River City, Lower Volta

Tel: (222) 444-2121

Fax: (222) 444-2000

E-Mail: [DiDominici@Volta.com](mailto:DiDominici@Volta.com)

(v) **End User:** Same as Importer

*(If the importer is acting solely as a broker or intermediate supplier to the owner/developer of the project, then the exporter would have no contractual relationship directly to the project. The principals of the project would be shown here as the end-user.)*

**(vi) Foreign Bank:**

1<sup>st</sup> National Bank of Lower Volta  
Margie Simmons  
Assistant President  
3751 Rivers Lane  
River City, Lower Volta  
Tel: (222) 444-3131  
Fax: (222) 444-3000  
E-Mail: [Simmons@Volta.com](mailto:Simmons@Volta.com)

**(vii) U.S. Bank:**

ABC Bank  
Debra Johnson  
Vice President  
Structured Finance  
2132 Parkway North  
Richmond, VA 98764  
Tel: (123) 555-2121  
Fax: (123) 555-2000  
E-Mail: [DJohnson@abcbank.com](mailto:DJohnson@abcbank.com)

**(5) Statement on Letterhead from:**

**(i) Statement of Foreign Bank:** *See Attachment A*

**(ii) Statement of U. S. Bank:** *See Attachment B*

**(6) Financing Period:** 5 years beginning at shipment.

**(7) Export's sales number:** Order Number: 010352

**The status of this order is:**

Date preliminary engineering started - August 29, 2000  
Date contract signed with buyer - September 1, 2000

**(8) Description of Agriculture Related Facility:** (A process flow diagram and a explanation of how these goods and services will be used to improve handling, marketing, processing, storage, or distribution of agricultural commodities or products. *(Applicant should attach blueprints, diagrams or other similar information) See Attachment C*

**Process Flow Diagrams:** *See Attachment C*

**Description of Process:** *(Applicant should present information on the process technology equipment)*

The use of this U.S. designed process facility will enable the Importer to produce fresh, high quality 48% protein meal with consistent quality and in-plant quality control.

Currently, high quality soybean meal (48%, low fiber) is not always available from importing sources.

Furthermore, the ability to process high quality U.S. soybeans will enhance the export (from the U.S.A) of soybean and will facilitate the improved reputation of U.S. soybeans derived from proper processing.

**(9) Description of goods to be covered by FGP:** The North American Industrial Classification System Code for these goods is (NAISC) 311222 (SIC Code 2075). *(To obtain these code for your proposal, the applicant should go to internet site <http://www.census.gov/epcd/www/naic.html>.)*

**(10) Schedule:**

Final Date of Equipment Export - October 2, 2001  
Equipment Construction Start Date - August 25, 2001  
Site Preparation Start Date - December 24, 2000

**(11) Contract Value for sale of goods and services:** \$2,050,000.00 CIF  
Containers, deliveries, South Port, Lower Volta. *(Attach invoices, contracts, preform, etc.)*

**(12) Description and Value of Non-U.S. Manufactured Goods and Services:**

Value of Non-U.S. Manufactured Goods and Services: \$393,356.00  
(Foreign flag freight and Maritime Insurance \$70,000 and \$4,388 Foreign Freight Services.)

**(13) Identification, Cost, and Justification for Non-U.S. Goods and Services:**

Cost for which CCC coverage is requested: \$74,388. It is requested that CCC cover the cost of foreign flag freight as such is less expensive and more readily available through U.S. flag freight. Coverage for foreign freight services by CCC is requested because some of the equipment requires the special crane at the destination to remove this heavy equipment from the vessel.

**(14) Net Contract Value:**

Contract Value (from (a)(11)above	\$2,050,000.00
Value Non-US Content (from (a)(12)above	\$393,356.00
Value of Non-US Contract with CCC Coverage	

(from (a) (13)above	<u>\$74,388.00</u>
Total Net Contract Value	\$1,731,032.00

**(15) Initial Payment Requirement:**

The initial payment is \$259,654.80, or 15% of Net Contract Value. ( $\$1,731,032.00 \times .15 = \$259,654.00.80$ )

**(16) Description and Amount of Discounts/Allowances:** None

**(17) Facility base value:**

Net Contract Value	\$1,731,032.00
Less Downpayment	<u>\$259,654.80</u>
<b>Facility Base Value without FGP fee</b>	\$1,471,377.20
<b>FGP fee (8.84%)</b>	\$130,069.74
<b>Facility Base Value including fee</b>	\$1,601,446.94

**(18) Maximum Guaranteed Value Under FGP:**

Facility Base Value	\$1,601,446.94
	( <u>        </u> x 95%)
<b>Maximum Guaranteed value</b>	\$1,521,374.60

**(19) Map of Facility's Location:** *(Attach a local map showing the location of facility, transportation routes and distance from major cities)*

**(20) All principal agricultural commodities or products:**

**(i) Inputs: Soybeans (Included in table below)**

**(ii) Countries of Origin:**

**a. USA**

**b: Brazil (Included in table below)**

**(iii) Estimate Quantity of Inputs: (Included in table below)**

U.S. PROJECT THROUGHPUT (Quantity in MT)						
Commodities	Year 1	Year 2	Year 3	Year 4	Year 5	Total
a. Soybeans	40,000	60,000	67,000	70,000	80,000	317,000

<b>Total</b>	<b>40,000</b>	<b>60,000</b>	<b>67,000</b>	<b>70,000</b>	<b>80,000</b>	<b>317,000</b>
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<b>COMPETITION PROJECT THROUGHPUT (Quantity in MT)</b>						
Commodities	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<i><b>Competitor #1 Brazil</b></i>						
a. Soybeans	20,000	30,000	33,000	40,000	40,000	163,000
<b>Total</b>	<b>20,000</b>	<b>30,000</b>	<b>33,000</b>	<b>40,000</b>	<b>40,000</b>	<b>163,000</b>
<b>Total Competition</b>	<b>60,000</b>	<b>90,000</b>	<b>100,000</b>	<b>110,000</b>	<b>120,000</b>	<b>480,000</b>

<b>TOTAL THROUGHPUT FOR EACH COMMODITY (Quantity in MT)</b>						
Commodities	Year 1	Year 2	Year 3	Year 4	Year 5	Total
a. Soybeans	60,000	90,000	100,000	110,000	120,000	480,000
<b>Total Project Throughput for all commodities</b>	<b>60,000</b>	<b>90,000</b>	<b>100,000</b>	<b>110,000</b>	<b>120,000</b>	<b>480,000</b>

<b>DISPLACEMENT OF U.S. EXPORTS (Quantity in MT)</b>						
Commodities	Year 1	Year 2	Year 3	Year 4	Year 5	Total
a. Soybean meal (48% protein)	13,000	13,000	13,000	13,000	13,000	65,000

Total	13,000	13,000	13,000	13,000	13,000	65,000
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**(iv) Analysis of Inputs:**

Based on USDA data the following is the USA World Market Share of soybeans and soybean products (Price assumption for this analysis are \$172 MT soybeans, FOB, U.S. Gulf):(\$147 MT for 48% protein soybean meal, FOB, U.S. Gulf)

This data shows that the USA has the greatest success in exporting whole soybeans. To increase the export of soybeans, helping to make facilities available to process whole soybeans, the United States will have more leverage promoting whole soybeans and will create more export volume than promoting soybean meal and oil. Meal and oil products are heavily subsidized by Russia and Ukraine, plus Argentina taxes the export of beans.

The high market share for whole soybeans is helped substantially by numerous factors such as:

- a. High quality, high protein beans available from the U.S.A particularly from the Midwest.
- b. Technical assistance programs from the ASA (American Soybean Association).
- c. Specifically for Lower Volta, the ASA has opened a new office in River City.
- d. Leading edge technology offered by the ACME Processing Equipment Supply, Inc. for overseas processors to produce high protein 48% soybean meal. For example, three plants designed by the company for CP Group in China now produce the highest protein soybean meal available in China.
- e. Export help from the CCC, particularly the GSM programs.

**(A)** The importer(Lower Volta) anticipates that upon the completion of this plant that it will no longer need to import Brazilian soybean meal since it will have its own production of high quality meal at significantly higher protein levels than available from Brazil.

**(B)** In 2000 the importer imported only 13,000 MT of U.S. 48% protein soybean meal. This represents about 17,000 MT of whole beans. In the first full year of operation, the importer will be able to process at 90,000 MT of beans. Just using U.S.A. Historic market share, this would represent 60% x 90,000 MT or 54,000 available to process into 48% protein meal or 3 x the amount of U.S.A. 48% meal (whole bean basis) imported now.

**(C)** The potential exports of soybeans rise from 60,000 MT in 2000 to 120,000 MT by 2004 based on 100% market share.

**(21) Agricultural Outputs Displacement:**

**(i) Projected annual quantities:**

**(A)** Within Lower Volta (see table below):



**Soybean Product Outputs from new Lower Volta Processing Facility  
(Quantity in Metric Tons)**

Year	Input* Metric Ton	Soybean Meal 48%	Soybean Meal 44%	Oil	Hulls	Process Losses
1	60,000	22,539	22,539	10,704	3,216	1,002
2	90,000	33,808	33,808	16,056	4,824	1,504
3	100,000	37,565	37,565	17,840	5,360	1,670
4	110,000	41,322	41,322	19,624	5,896	1,836
5	120,000	45,078	45,078	21,408	6,432	2,004

\*Input is based on “clean seed” with foreign material, stems, etc. removed.

The importer (Lower Volta) plans to market the soybean product outputs of this new plant as shown in Table F, based on 100,000 tons of input/year by 2002.

**Industries where Output are to be Marketed with Lower Volta  
(Quantity in Metric Tons)**

Market	Feed Type	Product	Estimated Sales M.T.
Feed Mills	Poultry*	48% meal	37,565
Feed Mills	Beef	44% Meal	10,000
Feed Mills	Dairy	44% Meal	22,565
Feed Mills	Sheep	44% Meal	5,000
Feed Lots	Beef	Hulls	1,000
Large Farms	Dairy	Hulls	4,360
Refineries		Oil	17,840

The Importer (Lower Volta) estimates that at least 50-60% of their 48% meal output will be sold to their own company feed mills to produce layer and broiler feeds for their integrated operations.

- (B) In addition to the outputs above marketed in Lower Volta, it is expected that some soybean products (outputs) will be marketed to Upper Volta and Fantasy Island.  
(See table below):

<u>County</u>	<u>Product</u>	<u>Estimate</u>	<u>Metric tons</u>
Upper Volta	44% meal	per year	5,000
Fantasy Island	44% meal	per year	1,000

**(ii) Imports during 2000 by Importer (Lower Volta):** Lower Volta imported soybean meal from the U.S.A. and Brazil in 2000 as shown in the table below:

**2000 Soybean Meal Import to Lower Volta  
(Quantity in MT)**

Brazil	
(44% protein)	20,000
U.S.	
48% protein	13,000
48% protein	9,851

**(iii) Analysis of Product Displacing U.S. Exports:** The total soybean meal imported from the U.S.A. by Lower Volta Processing, Ltd., in 2000 was 22,851 MT of 48% and 44% meal, representing 29,500 tons of whole beans processed in the U.S. However, 44% protein meal is at great risk because of Brazilian price competition. Therefore, only 13,000 MT of 48% soybean is at risk for replacement which is easily offset by the increase of U.S.A. whole soybean to be exported even at only 60% market share.

**(22) Description of Arrangements:** The exporter does not have any other arrangements or understandings with U.S. or any foreign government or financial institutions, public or private, providing financing.

**(23) Description of Exporter's Experience:** Since 1900, ACME Processing Equipment Supply, Inc. (Exporter) has been in the business of engineering and manufacturing oilseed processing equipment and systems, with an international reputation as the technology leader in seed preparation and oil extraction.

We design and build a complete line of full press mechanical extraction equipment to extract oil from oilseeds such as soybeans, cottonseed, rapeseed, sunflower, safflower, corn germ, peanuts, castor beans, palm kernels, copra, rice bran, etc., to produce meal and filtered crude oil at capacities ranging from 40 to 200 tons of seeds per 24 hour day.

We also offer a complete line of preparation and solvent extraction equipment for extracting oil from oilseeds at capacities ranging from 200 to 8,000 metric tons of seeds per 24 hour day.

The process equipment offered includes:

Cracking Mills  
Flaking Mills  
Conditioners

Cake/Pellet Coolers  
Solvent Extractors  
Desolventizer Toasters

Expanders  
Mechanical Screw Presses  
Oil Settling tanks

Meal Dryer Coolers  
Solvent Recovery Systems

In addition to the oilseed processing equipment listed above, the company also designs and supplies complete oilseed extraction systems. This would include the major manufactured process equipment, plus all of the auxiliary equipment required for cleaning, dehulling, aspiration, oil filtrating meal handling, pumps, instrumentation, and computer monitoring.

Engineering services include foundation plans, assembly diagrams, plot plans, equipment layouts, plant piping flow charts, one line plant electrical diagrams, and detailed drawings of fabrication for various tanks required by the customer.

**(24) Privitation Question:** The project is wholly owned by a private sector company in Lower Volta. Present plans call for Lower Volta Processing, Ltd., to be more vertically integrated in poultry and has a growing demand for high protein soybean meal of high quality. This new plant will provide the high quality soybean meal they require.

The poultry industry is growing in Lower Volta . This growth will require more U.S. soybeans and corn.

**(25) Exporter's Signature:**

ACME Processing Equipment Supply, Inc.

Lynda C. Colwell

Print

Lynda C. Colwell

Signature

Vice President

Title

1-31-01

Date

***§1493.240(b) Application fee:***

***The \$200.00 application fee, as specified in the FGP program announcement for Lower Volta, is attached to this application for a preliminary commitment.***

*Attachment*



*B*

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ABC Bank  
2132 Parkway North  
Richmond, VA 98764  
Tel: (123) 555-2121

U.S. Department of Agriculture  
1400 Independence Avenue, SW  
Washington, DC 20250

Re: ACME Processing Equipment Supply, Inc., project in Lower Volta

To Whom it May Concern:

We have been advised by the ACME Processing Equipment Supply, Inc., (ACME) of their discussions with Lower Volta Processing, Ltd., in connection with a project to export soybean processing equipment to Lower Volta. We are interested in further discussions with ACME about the potential of the project and the financing necessary for it to proceed. Further, we are in communication with 1<sup>st</sup> National Bank of Lower Volta and are currently reviewing establishing a credit arrangement for this foreign bank. It is our understanding that the 1<sup>st</sup> National Bank of Lower Volta has been determined by the Commodity Credit Corporation to be an eligible foreign bank and is eligible for the Facility Guarantee Program (FGP).

This letter represents notification of our interest in financing the project, but does not in any way constitute a commitment to such financing at this time.

If you need any further information, please call me at

Sincerely,

Mr. Debra Johnson  
Vice President

*Attachment A*

1<sup>st</sup> National Bank of Lower Volta  
3751 Rivers Lane  
River City, Lower Volta  
Tel: (222) 444-1111



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U.S. Department of Agriculture  
1400 Independence Avenue  
Washington, DC 20250

Re: Lower Volta Processing, an existing oilseed crushing plant in River City, Lower Volta, has informed us of a pending project with ACME Processing Equipment Supply, Inc., (ACME) to retrofit. Further understanding that 1<sup>st</sup> National Bank of Lower Volta, 3751 Rivers Lane, River City, Lower Volta, has expressed interest in financing the project pending the completion of final engineering and business plans.

We are interested in pursuing further discussions with Lower Volta Processing, Ltd. and we will consider extending financing for the project provided that ABC Bank of Richmond, Virginia will extend trade financing under a CCC Facility Guarantee Program application by ACME in support of the project.

This letter represents our interest in the project indicated but does not constitute final commitment.

Sincerely,

Margie Simmons  
Vice President